

Oral Questions

Trade and Commerce who will know that a study for his department by Data Resources of Canada estimated 1,030,000 Canadians will be out of work this year. That is an unemployment rate of 8.7 per cent. Also the minister will know that the budget was based on an estimate of an unemployment rate of 7.8 per cent this year. Will the minister tell us which figure is correct—the lower figure on which the budget is based, or the higher figure prepared for his department?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, what my hon. friend is talking about refers to already published material by Data Resources which is available for anyone to check. I like to think that nobody on either side of the House needs to look at studies of that sort to recognize that we are in a serious situation.

Some hon. Members: Oh, oh!

Mr. Gray: We are working to deal with this through programs such as the program in support of technology and enhanced productivity, involving \$93 million of expenditure, and in support of microelectronics and advanced production machinery projects, and the programs we announced last week which were in support of auto parts and major appliances sectors. It is important for us to work to deal with the situation, not argue about figures.

FIGURES USED IN DETERMINING BUDGET PROVISIONS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the government, in defence of its budget based on figures, tells Canadians not to worry about figures. The point is that the problem is known to all Canadians, the problem of Canadians being menaced with the loss of their jobs. The fact that the budget figures are wrong is known to Canadians. I asked the Minister of Industry, Trade and Commerce whether his figures or the figures on which the budget was based are wrong. He declined to answer that question. I should like him to tell us whether the budget was based on the assumption of 8.7 per cent unemployment which was forecast by his own department. If it was not, will there be changes in the budget to take account of the fact that it was based on an unemployment projection which was wrong?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, the assumptions of the budget are set forth in the material published with it, involving forecasts by the Department of Finance with respect to various elements of the economy. My right hon. friend is not referring to a forecast carried out by my department, but to one carried out by Data Resources, something which is public and has already been published. I am sure one could find a range of other forecasts which point in various directions. That is not uncommon with respect to the work of economists. But at the same time there is no doubt we are in a very serious situation with respect to the economy and unemployment. We are working to take

tangible action in the area of job creation, and that is the important thing.

VARIATION IN FIGURES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, what is important when we are dealing with the budget, which will affect the future of millions of Canadians, is whether the budget was based on accurate figures. My question to the minister is very simple. He avoided answering it twice. Is the figure prepared by the consultants for his department wrong, or is the figure prepared as the basis of the budget wrong? Which figure is wrong?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, the projections on which the budget was based were set forth in documents tabled with the budget at the time the budget speech was presented last November.

Mr. Nielsen: Which figure is wrong?

Mr. Gray: The analysis of Data Resources was done more recently. It was already made public prior to the press report on which he bases his question. If the hon. member wants to do it and is capable of doing it, he can take the two analyses and reach his own conclusions.

Some hon. Members: Oh, oh!

REQUEST THAT MINISTER PROPOSE BUDGET CHANGES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, we now have come as close as possible to the government making a clear policy statement. The minister admitted that the budget figures were out of date and that the Data Resources figures are more recent and, consequently, more accurate. An official of his own department, Mr. Thomas McCormack, director of the economic intelligence directorate, said "The worst is yet to come." He also said that "the economy is sliding faster than anyone anticipated." In other words, his own officials not only challenge the figures on which the budget was based but they challenge the government's view of economic consequences in 1982. The minister has admitted the budget is wrong. Will he tell us whether he is proposing changes in this budget to help those 1,030,000 Canadians who are faced with the prospect of losing their jobs this year? Will the minister be proposing changes in a budget that he has admitted is based on out of date figures?

● (1420)

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I have not admitted that the budget is based on out of date figures. We are dealing with forecasts, and we can find a range of forecasts.

Some hon. Members: Oh, oh!